

**Liaison Report (Karyl Matsumoto)  
Summary of San Mateo County Transit District's (District)  
Meeting of February 1, 2017**

Community Relations Committee and Board

Tina Dubost, Manager, Accessible Transit Services, said staff met with the paratransit eligibility contractor and discussed the Mobility Ambassador Program.

Mike Levinson, Chair, Paratransit Coordinating Council (PCC), said the appreciation party for First Transit is scheduled for April 11. The regional paratransit conference is scheduled for February 21 from 10 a.m. to 2:30 p.m. at 1250 San Carlos Avenue in the second floor auditorium.

David Olmeda, Chief Operating Officer, Bus, presented a dashboard update on the first quarter of 2017 (attached).

Average Weekday Ridership – December 2016 Compared to December 2015

Bus: 36,140, a decrease of 5.4 percent

All modes: 146,800, a decrease of 0.9 percent

Finance Committee and Board

Accepted the Statement of Revenues and Expenses for December 2016.

Accepted the Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2016.

Authorized Execution of Cooperative Agreements with the City/County Association of Governments of San Mateo County (C/CAG) to Receive Transportation Fund for Clean Air (TFCA) Funds for Eligible SamTrans Operating and Capital Projects. The District recently received a C/CAG TFCA grant for \$160,128 to fund the installation of triple bike racks on buses. This action will allow execution of cooperative agreements with C/CAG for all eligible TFCA funding projects, including the installation of triple bike racks on SamTrans buses.

Authorized Execution of Cooperative Agreements with the Bay Area Air Quality Management District (BAAQMD) to Receive Transportation Fund for Clean Air Funds for Eligible SamTrans Operating and Capital Projects. The District recently was awarded \$473,990 in TFCA funds to replace 10 model-year 2003 diesel buses with electric buses, the receipt of which requires execution of a cooperative agreement. This action would allow the General Manager/CEO, or his designee, to execute cooperative agreements with the BAAQMD for the District to receive TFCA funds for all eligible projects in the future, including the electric buses project.

Authorized up to \$1 Million in Additional Contracting Authority for Informational Technology Licenses, Maintenance Services and Professional Services for an Aggregate Not-to-Exceed Amount of \$1.85 Million for Fiscal Year (FY) 20107. Due to the unanticipated expenses of PeopleSoft data cleanup, additional contracting authority is desired. This increase will provide the District with a continued cost effective means to

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upkeep information technology assets owned by the District, such as renewing the Microsoft Enterprise Agreement, executing a business process analysis, re-engineering, creating a stable work processing environment, and generating PeopleSoft grants billing invoices for the District.

Legislative Committee and Board

Legislative Update:

State:

- The governor released his budget and transportation makes up 6 percent of it.
- The State Transportation Improvement Project is being restored with additional funds.

Federal:

- Elaine Chao was confirmed as Secretary of Transportation.
- Democrats have a broad plan for an infrastructure package, but the Republicans will have no package for 200 days.

Strategic Planning, Development and Sustainability Committee an Board

Received an Update on the Community Choice Energy (CCE) and Electricity Service. By April 2017, 100 percent of the District's electricity will be supplied by Peninsula Clean Energy (PCE), the San Mateo County CCE Program, unless the District chooses to opt-out of the program back to the incumbent utility provider, Pacific Gas and Electric (PG&E). In June 2016, the District Board took action to enroll in PCE at the default service offering (50 percent renewable energy) and staff began a technical evaluation of PCE as compared to PG&E based on the following criteria: supply and infrastructure reliability, rates and cost, environmental benefits, administrative procedures, and compatibility with future District operations (i.e., electric bus fleet). Based on the results of the technical evaluation, staff recommended staying enrolled in PCE with the voluntary service offering of 100 percent renewable energy. This option, with a modest financial investment, would achieve significantly higher renewable energy content and lower greenhouse gas emissions associated with the use of electricity in District operations. Staff will ask the Board to take action to stay enrolled in PCE at the March meeting.

Board of Directors

- Carole Groom (Representing San Mateo County Board of Supervisors) was sworn in.
- Received and Filed the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2016. The SamTrans Audit Committee (Carole Groom, Jeff Gee and Rose Guilbault) met on January 25, 2017 with the Agency's auditors, Vavrinek, Trine, Day & Co., LLP. The findings were presented by

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Ahmad Gharaibeh, the Engagement Partner, and Nathan Edelman, Partner. The audit is governed by Government Auditing Standards. In addition, the Government Accounting Standards Board (GASB) issues periodic pronouncements governing the presentation of information in the audit. There are no major content or format changes in the audit. The audit is a clean audit for the District and also for the required Federal and Transportation Development Act funding audits. There was a significant finding in the audit, which is less serious than a "material" finding. The auditors found that cash balances were not reconciled in a timely fashion, which led to the need for post-closing adjustments. Finance staff has met with the auditors to fully understand the finding and are putting in place procedures to resolve the issue in FY2016 and to make certain it does not happen again.

The financial statements show a reduction of \$153,202 to the District's assets (page 13) to reflect the removal of the figure previously included for the value of the extension of Bay Area Rapid Transit (BART) into San Mateo County from the District's books. This action is consistent with GASB Statement #51, which requires agencies to report only assets that the agency owns and controls and could ultimately liquidate. It is not clear what the figure represents and how it was originally calculated, but the BART extension project itself did not produce assets that meet the standards of GASB #51 for the District to report. This adjustment makes no material change to the assets of the District.

Staff noted that there is a high level of receivables that the Peninsula Corridor Joint Powers Board (JPB) owes the District. This is due in large part to ongoing challenges with the financial system, which have slowed down the District's ability to seek reimbursement from granting agencies on behalf of the JPB. An initiative, including outside consultant help, is underway to clear the backlog and to streamline future processes. Board members were pleased that the District has a relatively low unfunded pension liability. The Board members also had the opportunity to meet with audit staff without agency staff present.

- Received an update on the five District and two Human Resources (HR) 2016 Employee Survey Actions.
- Jim Hartnett, General Manager/CEO, said a Town Hall was held on January 23 and live streamed to the bases. A significant amount of time was spent on the above actions, along with vision and values of the agency. A mission doesn't get carried out without understood values – transparency, accountability, excellence and empathy. Empathy is important to have for colleagues and customers. He continues to hold monthly *Talks with Jim* and meets new employees within a month of their start date to thank each person for their decision to work at the District and the choice they made. He asks what drew them to the District and their impressions. Generally people come because of the public mission, exciting projects and the people.

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- Bill Carson, Director, HR, provided an update on staffing for the first six months of Fiscal Year 2017:
  - 95 vacancies throughout the District out of a total of 767 positions
  - 16 new hires
  - 22 internal promotions
  - 18 retirements
  - 23 resignations
  - Five terminations

Mr. Hartnett reported:

- Kathleen Kelly, Interim Chief Financial Officer, was introduced. Ms. Kelly has extensive transportation experience having worked at Alameda-Contra Costa Transit, BART and San Francisco Municipal Transportation Agency (SFMTA).
- A pilot e-signing program developed by Contracts and Procurement staff is being tested.
- Maintenance department continued to exceed their monthly standards in December.
- Human capital investment continued in December with over 1,000 hours of training.
- The District hosted a 40-hour Transportation Safety Institute training. This is a Federal Transportation Agency-approved program.
- The training department now has four California Department of Motor Vehicles Certified Examiners for the employer-testing program. The advantage to having this is when new bus operators pass the program they can automatically get a Class B driver's license.
- Operations Planning have formed a team to audit fixed-route ridership to determine different reporting methods to analyze farebox data as well as developing a method for calculating fare revenue on a route level.
- Staff is preparing for relocation of the bus stop currently at 150 Folsom. The relocation will be done in two major phases. Phase 1 will be to relocate the layover/staging area to Beale Street near Bryant Street. In Phase 2 the bus stop will be moved 201 Folsom Street. Critical details to be completed such as signage and curb painting will be completed by SFMTA and notice to riders will be completed by SamTrans. The move is expected to be completed in late February or early March 2017.

The next regular meeting is scheduled for Wednesday, March 1, 2017 at 2 p.m.

The meeting was adjourned in memory of Redwood City Police Officer Gerardo Silva, who died of natural causes while on duty.